



CITY OF HOUSTON

Sylvester Turner

Mayor

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Cecile Erwin Young
Executive Commissioner
Texas Health and Human Services Commission
4900 N Lamar Blvd
Austin, TX 78751

Dear Commissioner Young,

I write today to express my support for an extension of the 1115 waiver for Texas and to request that the application be amended to include the health insurance coverage expansion as a part of the program.

First, I want to thank you for the inclusion of the Ambulance Average Commercial Reimbursement program and the creation of the Public Health Provider-Charity Care Program. Both of programs will help the City of Houston provide services to our residents, including those who are uninsured. We are grateful that the Commission has recognized the importance of entities like ourselves in caring for our residents.

One innovative program, Emergency Tele-Health and Navigation (ETHAN), which originally started as an 1115 Waiver DSRIP project in the City of Houston, utilizes mobile technology to provide patients safe alternatives to costly emergency care and potentially avoidable transport via ambulance. To date, ETHAN has served more than 27,000 Houstonians and saved the healthcare system more than \$20M in avoidable costs.

Second, I write to urge you to develop a Texas-specific program within the waiver to provide comprehensive health insurance coverage, using funds available at a 90% federal match, to cover as many as 1.3 million currently uninsured Texans, a significant portion of whom live in Houston. With a pre-pandemic uninsured rate of 18.4 percent, the Texas uninsured rate is double the national average and the highest rate in the United States. Due to widespread job losses, it is estimated that another 600,000 Texans have lost insurance since the beginning of the pandemic.

While I support the need for uncompensated care funds for our hospitals, relying on hospital emergency rooms as a primary access point is inefficient, expensive, and does not promote

the best health outcomes. Emergency rooms represent one of the most expensive options for medical care and are a poor way to address chronic disease, pain management and medical issues that may only require a doctor's office visit. In fact, that's why ETHAN is such a cost saver.

The City of Houston, along with others that provide commercial health insurance for their employees and dependents, is adversely impacted by the high rate of uninsured and the costs of uncompensated care that result. When emergency rooms are utilized without compensation, studies have shown that those costs are shifted onto commercial payors, like the City of Houston, where more than 60,000 lives are covered under our health plans.

Many Texas cities, Houston included, contend with a significant homeless population. Many of the homeless suffer from significant mental and physical ailments and are uninsured. Medicaid expansion could reduce homelessness by enabling this population to join Texas' excellent Medicaid managed care programs where they would get the health care services they need and would be connected through care management with other supportive resources.

With many of the DSRIP projects in the 1115 waiver, Texas was able to serve the chronically homeless. But, in order to improve care and control costs, a more comprehensive approach is required. Most people experiencing homelessness are entangled in a revolving door, cycling between emergency rooms, jails, and the street. These patients are not adequately served by this system and require coordinated intervention that involves medical and mental healthcare, housing assistance and case management.

Without the coverage expansion for Medicaid, Texas is leaving dollars on the table, causing service gaps that hinder our collective ability to respond to the State's homeless crisis. Moreover, it wastes vital taxpayer dollars. In an attempt to partially cover the service gap, the state and local jurisdictions use other sources of public funding that could be used elsewhere. By connecting Medicaid healthcare services and supportive housing, Texas can help stabilize our most chronically ill homeless patients, reduce emergency room visits and save health care costs.

In addition to possible increased funding for the Houston Police Department (HPD) services currently supported, Medicaid expansion would also provide basic services to keep people out of the system and stabilized so law enforcement does not have to get involved at all. If people have the services and support on the front end for mental health and substance abuse, then they will be less likely to require HPD intervention. By expanding Medicaid, we would be working smarter, not harder. Even better, Medicaid expansion is an investment in kids and families that can ultimately help prevent crime, violence, and keep kids out of the criminal justice system altogether.

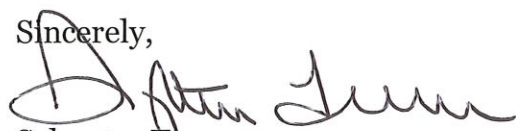
Medicaid expansion would bring in \$5.4 billion per year to Texas. Texas would only need to contribute \$600 million, or 10 percent, to pull down these funds. Medicaid expansion in Texas could involve a fiscal trigger; if the federal government's contribution to Medicaid ever fell below 90 percent, Texas could automatically withdraw.

Also, according to the Perryman Group, a group of economists with decades of experience in public policy analysis, estimates that there would be a \$45 billion net effect on Texas gross product in the 2022-2023 biennium. They further estimate that there would be a net positive effect on the state budget of \$75 to \$125 million. The 10 percent match would be more than offset by economic activity and premium taxes.

Medicaid expansion enjoys broad popular support in Texas. A 2020 survey from the Episcopal Health Foundation showed that 69 percent of Texans support it, including 75 percent of Independents and four in ten Republicans.

The 1115 waiver was never intended to be a permanent solution to the uninsured. It is a stopgap. It is a band aid that we attempt to stretch over an ever-expanding wound. Texas should request renewal of the waiver, but it shouldn't stop there. Texas should expand Medicaid. It just makes sense.

Sincerely,

A handwritten signature in black ink, appearing to read "Sylvester Turner". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sylvester Turner
Mayor